

EXHIBIT LL

C O N F I D E N T I A L

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

Case No. 11-CV-2375 (JSR)

- - - - -x

ASSURED GUARANTY MUNICIPAL CORP., f/k/a
FINANCIAL SECURITY ASSURANCE INC.,

Plaintiff,

-against-

FLAGSTAR BANK, FSB; FLAGSTAR CAPITAL
MARKETS CORPORATION; and FLAGSTAR
ABS, LLC,

Defendants.

- - - - -x

December 19, 2011
9:52 a.m.

Videotaped deposition of LINDA TERRASI,
taken by attorneys for Plaintiff, pursuant to
notice, held at the offices of Susman Godfrey LLP,
560 Lexington Avenue, New York, New York, before
Donald R. DePew, RPR, CRR, a Notary Public within
and for the State of New York.

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2 or not the loan would be acceptable or
3 unacceptable, according to you, is number one,
4 whether or not the loan would still qualify, and
5 number two, if the loan would still perform; is
6 that right?

7 MS. GAYLOR: Objection.

8 A. Those are two things that, in my
9 opinion -- you said would it make the loan
10 unacceptable.

11 And I'm saying there's all types of
12 things that are involved to determine whether a
13 loan was unacceptable or was originated in an
14 unacceptable manner.

15 Q. Can you describe for me some of these
16 considerations that would shape your view of
17 whether or not the loan was originated in an
18 acceptable manner?

19 MS. GAYLOR: Objection.

20 Go ahead.

21 A. Again, one of the most important things
22 is the performance of the loan. There could be
23 situations where an income calculation may have
24 been wrong, but it still qualified for the program
25 or the loan still performed for a period of time.

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2 Obviously, then that miscalculation had no bearing
3 on the performance or the acceptability of that
4 loan and the borrower's ability to repay the debt.

5 Q. How long would the loans need to
6 perform for it to perform for some period of time
7 in your analysis?

8 A. Industry standard is pretty much if a
9 loan performs for over 12 months, then what
10 happened at the origination of that loan really
11 did not have a total bearing on the loan.

12 Q. So no matter how many concerns or
13 issues there are with the loan file, for you to
14 determine whether the loan is acceptable,
15 considered acceptable, it comes down to whether
16 the loan would have still been funded, and number
17 two, whether the loan performed for roughly 12
18 months after it was actually funded; is that
19 right?

20 MS. GAYLOR: Objection.

21 A. You need to say that again. I'm sorry,
22 I couldn't follow you all the way through. Or
23 maybe break it up for me.

24 MR. WALIA: Would you mind repeating
25 the question?